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SENATE BILL 185

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

TIMOTHY Z. JENNINGS

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING FOR REPEAL OF OPTIONAL INCOME  
TAX REFUND CONTRIBUTION PROVISIONS IF A DESIGNATION GENERATES  
LESS THAN A MINIMUM AMOUNT OF MONEY FOR THE DESIGNATED PURPOSE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act, Section  
7-2-32 NMSA 1978, is enacted to read:

"7-2-32. [NEW MATERIAL] GENERAL PROVISIONS REGARDING  
OPTIONAL DESIGNATION OF TAX REFUND CONTRIBUTIONS-- CONDITIONAL  
REPEAL OF CERTAIN OPTIONAL DESIGNATIONS. --

A. Any provision of the Income Tax Act that allows a  
taxpayer to direct the department to contribute all or any part  
of an income tax refund due the taxpayer to a specified account,  
fund or entity is repealed together with any other provision  
setting forth the legislature's findings or intent with respect

Underscored material = new  
[bracketed material] = delete

1 to the provision when, the opportunity to contribute pursuant to  
2 the provision having been available on the income tax forms for  
3 two or more consecutive taxable years, the secretary certifies  
4 that taxpayers directed that less than fifty thousand dollars  
5 (\$50,000), exclusive of directions disregarded under Subsection  
6 B of this section, be contributed pursuant to the provision on  
7 returns filed for taxable years beginning in the preceding  
8 calendar year. By August 31, 1997 and by August 31 of every  
9 succeeding year, the secretary shall determine the amount  
10 contributed through the preceding July 31 on returns filed for  
11 taxable years beginning in the preceding calendar year under  
12 each provision allowing the taxpayers the option of directing  
13 the department to make contributions of refunds. If less than  
14 fifty thousand dollars (\$50,000) is designated for a provision,  
15 exclusive of directions disregarded pursuant to Subsection B of  
16 this section, the secretary shall certify that fact to the  
17 secretary of state. Any provision so certified and any related  
18 provisions setting forth legislative findings or intent are  
19 repealed, effective on the January 1 following the  
20 certification.

21 B. The department shall disregard any direction to  
22 make contributions on any return if the amount of refund due is  
23 determined by the department to be less than the sum of the  
24 amounts directed to be contributed.

25 C. Notwithstanding the provisions of Section 7-1-26

. 113561. 1

Underscored material = new  
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1 NMSA 1978, a taxpayer shall not claim and the department shall  
2 not allow a refund with respect to any contribution made by the  
3 department at the direction of the taxpayer pursuant to any  
4 provision of the Income Tax Act providing for optional  
5 designation of all or any part of the income tax refund due a  
6 taxpayer. "

7 Section 2. CONTINGENT REPEAL. --

8 A. Sections 7-2-23 and 7-2-24 NMSA 1978 (being Laws  
9 1981, Chapter 343, Sections 1 and 2, as amended) are repealed  
10 effective on the January 1 following certification by the  
11 secretary of taxation and revenue to the secretary of state  
12 pursuant to Section 7-2-32 NMSA 1978.

13 B. Section 7-2-24.1 NMSA 1978 (being Laws 1992,  
14 Chapter 108, Section 4) is repealed effective on the January 1  
15 following certification by the secretary of taxation and revenue  
16 to the secretary of state pursuant to Section 7-2-32 NMSA 1978.

17 C. Sections 7-2-27 and 7-2-28 NMSA 1978 (being Laws  
18 1987, Chapter 257, Sections 2 and 3) and Laws 1987, Chapter 257,  
19 Section 6 are repealed effective on the January 1 following  
20 certification by the secretary of taxation and revenue to the  
21 secretary of state pursuant to Section 7-2-32 NMSA 1978.

22 D. Sections 7-2-29 and 7-2-30 NMSA 1978 (being Laws  
23 1987, Chapter 265, Sections 1 and 2) are repealed effective on  
24 the January 1 following certification by the secretary of  
25 taxation and revenue to the secretary of state pursuant to

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Section 7-2-32 NMSA 1978.

E. Section 7-2-31 NMSA 1978 (being Laws 1992, Chapter 108, Section 1) is repealed effective on the January 1 following certification by the secretary of taxation and revenue to the secretary of state pursuant to Section 7-2-32 NMSA 1978 of this act.